

STATE OF CALIFORNIA  
**ELECTRICITY OVERSIGHT BOARD**



Gray Davis, Governor

October 22, 2001

Mr. David P. Boergers, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

**Re: Pacific Gas and Electric Company**

**Docket No. ER02-4-000**

Dear Mr. Boergers:

The California Electricity Oversight Board hereby e-files its Motion to Intervene in the above-referenced docket.

Thank you for your assistance.

Sincerely,

/s/ Lisa V. Wolfe

Lisa V. Wolfe  
Staff Counsel  
Electricity Oversight Board

Enclosures

cc: Official Service List of ER02-4

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company

Docket No. ER02-4-000

**MOTION TO INTERVENE OF THE  
CALIFORNIA ELECTRICITY OVERSIGHT BOARD**

Pursuant to the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, §385.214(a)(3) and (b), and the Commission's Notice of Filing dated October 5, 2001, the California Electricity Oversight Board ("Board") hereby moves to intervene in the above-captioned docket.

**I. CORRESPONDENCE AND COMMUNICATIONS**

The principal office of the Board is located at 770 L Street, Suite 1250, Sacramento, California, 95814. All pleadings, orders, correspondence and communications regarding this motion should be directed to the following persons:

Erik Saltmarsh, Chief Counsel  
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770 L Street, Suite 1250  
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**II. MOTION TO INTERVENE**

The Board moves to intervene to obtain party status to represent itself, and the responsibilities the State of California has assigned to it, in this proceeding. The Board was created as a component of California's comprehensive restructuring legislation. Among the Board's statutory responsibilities is oversight of the California Independent

System Operator Corporation (“CAISO”) including the energy and ancillary services markets administered by the CAISO and the reliability of the California electric grid.

On October 1, 2001, Pacific Gas and Electric Company (“PG&E”) filed with the Commission a Notice of Cancellation of the PG&E First Revised Rate Schedule FERC No. 215, the Must-Run Service Agreement between PG&E and the CAISO for the FMC Synchronous Condenser Emergency Gas Turbine (“FMC SC/EGT” and “Must-Run Agreement”). The Commission accepted the Must-Run Agreement in Docket No. ER99-3603-000 on September 14, 1999 and designated it as PG&E Rate Schedule No. 215. The Must-Run Agreement is a one-year renewable agreement and provides for parallel operation of the FMC SC/EGT unit as a Condition 2 must-run facility.

The FMC SC/EGT is a leased unit and the 48-month lease agreement between PG&E and BTM Capital terminates on its own terms on September 29, 2001. PG&E states that it does not intend to renew the lease nor acquire ownership of the FMC SC/EGT unit and, consequently, the Must-Run Agreement will also terminate on its own terms in accordance with Section 2.2(e) of the Must-Run Agreement.

PG&E and other California power plant owners provide RMR service to the CAISO by dispatching designated units at certain power plants at the direction of the CAISO. This dispatch is provided pursuant to individual RMR Agreements that follow a generic standard-form RMR Agreement that was agreed to as part of the May 28, 1999 RMR settlement (California Independent System Operator Corporation, 87 FERC ¶ 61,250 (1999)).

The Board was actively involved in above-referenced RMR settlement proceedings and maintains ongoing oversight of the RMR process. As a result of the

Board's statutory responsibilities described above, the Board has an interest that may be directly affected by the outcome of the above-captioned proceeding and the Board's participation is in the public interest of the citizens of the State of California. 18 C.F.R. §§ 385.214(b)(2)(ii) and 385.214(b)(2)(iii).

For the above-mentioned reasons, the Board respectfully requests that the Commission grant this motion to intervene.

Dated: October 22, 2001

Respectfully submitted,

/s/ Lisa V. Wolfe

Lisa V. Wolfe, Staff Counsel  
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770 L Street, Suite 1250  
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(916) 322-8601

## **CERTIFICATE OF SERVICE**

I hereby certify that, on October 22, 2001, I served the foregoing document upon each person designated on the official service list compiled by the Secretary for the above-captioned proceeding.

Dated at Sacramento, California, this 22<sup>nd</sup> day of October 2001.

/s/ Lawrence Cook

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Lawrence Cook  
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